



CONTINENTAL

ACURA HONDA MAZDA NISSAN SUBARU VOLVO

January 18, 2024

Representative Jesse Sumner, Chair
House Labor and Commerce Committee
State Capitol, Room 421
Juneau, AK 99801

RE: HB233 – Relating to rates and time allowances for required motor vehicle work

Dear Representative Sumner and members of the Committee:

My name is Marten Martensen, I am the owner of Continental Auto Group in Anchorage, AK. I was born and raised in Anchorage and have worked for Continental Auto Group for the past 24 years. I believe it's important that I give you a little background of Continental Auto Group, so you understand who we are and where we started and why we support HB233. CAG was started in 1972 as a service repair facility by two technicians Bahne Martensen and Peter Adolf. In the past 53 years CAG has grown to 5 stores and 5 franchises including Subaru, Honda, Acura, Mazda and Nissan. We have 250 employees. We have customers on every corner of Alaska, often shipping cars to Kodiak, Utqiagvik and King Salmon to name a few. We have sold well over 50,000 cars since 1972 and service over 50,000 vehicles per year.

HB233 will allow franchise car dealers to charge the manufacturers "Retail" labor time for warranty work. Currently the manufacturers decide what they deem as fair labor times for warranty work. Our technicians do not like to do warranty work because they do it at discounted labor times decided by the manufacturers. In essence they lose money doing warranty work versus ordinary "Retail" of customer pay. "Retail" labor time is determined by car dealers using guides such as Chilton's to determine fair labor time for repairs. On the other hand, "Warranty" labor time is forced upon us by the manufacturers and is heavily discounted.

In today's business environment car dealerships are struggling to retain and recruit technicians. The manufacturers recognize this but do very little to help. The mining and oil industries are recruiting our technicians at alarming rates, and we are in a constant battle to retain them. By allowing us to charge "Retail" time our technicians will earn more and even the playing field that is today's market.

Thank you for your consideration of HB233, we strongly request your support in passing this important protection for Alaskans.

Sincerely,

Marten Martensen

cc: Representative Frank Tomaszewski, Sponsor